

STATEMENT FOR THE RECORD

HOUSE WAYS AND MEANS COMMITTEE
“HEARING ON TAX REFORM AND CHARITABLE CONTRIBUTIONS”
FEBRUARY 14, 2013

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Chairman Camp, Representative Levin, and distinguished Members of the Committee, thank you for the opportunity to share the perspectives of the American Health Care Association (AHCA) as the Committee examines the issue of charitable contributions as part of your preparations to undertake comprehensive tax reform.

I serve as the president and chief executive officer of AHCA, the nation’s largest association of long term and post-acute care providers. The association advocates for quality care and services for frail, elderly, and disabled Americans. Our members provide essential care to approximately one million individuals in more than 11,000 not for profit (NFP) and for profit member facilities.

AHCA, its affiliates, and member providers advocate for the continuing vitality of the long term care provider community. We are committed to developing and advocating for public policies which balance economic and regulatory principles to support quality care and quality of life. We cannot support policies that harm the services provided to the poor and most vulnerable citizens in our communities. Therefore, we are in opposition to any proposals that would cap income tax deductions or otherwise restrict the deduction for charitable contributions made to NFP organizations.

Penalizing our nation’s NFP care providers by limiting their financial resources is simply not right. Charitable funding collected by our NFP members is used for everything from patient care to facility improvements to equipment that enhances resident quality of life and staff safety. We need to ensure that their funds are not restricted, especially in these tough economic times when federal and state budget cuts have placed a heavy burden on NFPs to provide care.

Research suggests that a percentage cap on the charitable deduction could reduce charitable giving by as much as \$7 billion per year, on top of the nearly \$20 billion annual decrease in giving since the economic downturn began in 2007.

NFPs rely heavily on these donations as a critical funding stream. Limiting these donations limits our NFPs ability to carry out their mission of providing care to our nation’s seniors and persons with developmental and intellectual disabilities.

Thank you again for the opportunity to weigh in on this important matter. AHCA looks forward to working with both the House Ways and Means Committee and the Senate Finance Committee as tax reform discussions continue.

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